

Message Text

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PAGE 01 LUBUMB 00791 01 OF 02 051001Z
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C O N F I D E N T I A L SECTION 1 OF 2 LUBUMBASHI 0791

E.O. 11652 GDS
TAGS: EMIN, EFIN, MOPS, CG
SUBJECT: STATUS OF KOLWEZI MINES: II OF III: GECAMINES PRELIMINARY
REPORT OF LOSSES

REF: KINSHASA 6676(NOTAL)

1. SUMMARY: IN PREPARATION FOR IBRD MEETING GECAMINES (GCM)
PREPARED PRELIMINARY STUDY OF LOSSES RESULTING FROM ATTACK
AT KOLWEZI. TOTAL DAMAGE IN KOLWEZI ESTIMATED AT \$56.9 MILLION
OF WHICH DAMAGE TO GCM PLANT AND EQUIPMENT WAS ONLY (8Y
BILLION. REMAINING LOSSES INCLUDED DAMAGE TO BUILDINGS AND
HOMES OWNED BY GCM AND THIRD PARTIES AND LOOTING
OF COMMERCIAL, INDUSTRIAL AND PERSONEL PROPERTY. END SUMMARY

2. IN PREPARATION FOR MEETING WITH IBRD IN PARIS ON JUNE
26, GECAMINES MADE STUDY OF LOSSES AT KOLWEZI. SUMMARY
REPORT, DATES JUNE 22 PROVIDED DLLAR ESTIMATE OF DAMAGE
ACCOMPANYING ANNEXES PROVIDED FURTHER DETAILS ALTHOUGH
SOMETIMES WITH CONFLICTING OR QUESTIONABLE DETAILS. SUMMARY REPORTS
ESTIMATES TOTAL DAMAGE IN KOLWEZI AT
\$56.9 MILLION OF WHICH GCM PLANT AND EQUIPMENT
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PAGE 02 LUBUMB 00791 01 OF 02 051001Z

ACCOUNTED FOR \$8.6 MILLION, GCM OWNED BUILDINGS AND
FURNISHING AS WELL AS PERSONAL PROPERTY OF GCM EMPLOYEES
ACCOUNTED FOR \$31.6 MILLION. AND THIRD PARTY LOSSES
ACCOUNTED FOR \$16.7 MILLION

3. ANALYSIS OF ESTIMATED \$8.6 MILLION DAMAGE TO GCM
INSTALLATIONS AND EQUIPMENT IS AS FOLLOWS

A. COMPANY VEHICLES EITHER STOLEN OR REQUISITIONED AND NEVER RETURNED. VALUE OF 137 MISSING VEHICLES AND COST OF REPAIRS TO VEHICLES ALREADY RECOVERED IS ESTIMATED AT \$5.2 MILLION. NO HEAVY MINING EQUIPMENT WAS LOST. LOST VEHICLES INCLUDED CARS, PICK-UPS AND HEAVY DUTY MINING TRUCKS. 39 OF THESE VEHICLES WERE REQUISITIONED BY FAZ FROM NON-KOLWEZI GCM INSTALLATION AND NEVER RETURNED.

B) STOLEN TOOLS AND EQUIPMENT AT GCM KOLWEZI INSTALLATIONS VALUED AT ABOUT \$1.8 MILLION, INCLUDING OFFICE EQUIPMENT, SURVEYING EQUIPMENT, WORKSHOP TOOLS SPARE PARTS, AND CONSTRUCTION MATERIALS.

C) FACTOR LOSSES WERE ESTIMATED AT ONLY \$.8 MILLION, OF WHICH COPPER AND COBALT LOST IN SOLUTION WHEN THE LULU PLANT WAS CLOSED WERE VALUED AT \$.5 MILLION. MINOR DAMAGE AT THE UZK ZINC PLANT IN KOLWEZI AND WAR-RELATED BREAKDOWN AT THE SULFURIC ACID PLANT IN LIKASI WERE THE ONLY LOSSES AT ANY OF THE GCM FACILITIES

D) INDIRECT COSTS RELATED TO BROKEN CONTRACTS AND CONSERVATION MEASURES AT THE P-2 EXPANSION PROJECT WERE ESTIMATED AT \$.7 MILLION.
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PAGE 03 LUBUMB 00791 01 OF 02 051001Z

4. ANALYSIS OF ESTIMATED \$31.6 MILLION LOSS TO GCM OWNED RESIDENCES AND BUILDINGS COMPANY FURNISHINGS AND PERSONAL PROPERTY OF EMPLOYEES AS FOLLOWS

A) DAMAGE TO GCM OWNED RESIDENCE AND BUILDINGS ESTIMATED AT \$14.3 MILLION, OF WHICH \$10.6 TO 1144 COMPANY OWNED HOUSES, \$3.6 MILLION TO 250 NEW HOUSES IN P-2 EXPANSION AREA, AND \$.1 MILLION TO MESS HALLS, QUEST HOUSES AND SCHOOLS. AVERAGE EXTENT OF DAMAGE PER HOUSE RANGED FROM ONE NEIGHBORHOOD TO THE NEXT BETWEEN \$3,000 TO \$44,000 PER HOUSE. BUT AVERAGE WAS ABOUT \$10,000 FOR ALL COMPANY HOUSES

B) LOSSES OF GCM OWNED FURNISHINGS ESTIMATED AT \$6.5 MILLION OF WHICH \$6 MILLION FROM 100 PILLAGING OF HOUSES IN P-2 EXPANSION AREA. REMAINING \$.5 MILLION WAS LOSS OF FURNISHINGS IN QUEST HOUSES AND DSS HALLS.

C) LOSSES OF PERSONAL PROPERTY TO GCM EMPLOYEES WAS ESTIMATED AT \$10.8 MILLION OF WHICH PROPERTY BELONGING TO EXPATRIATES WAS VALUED AT \$7.6 MILLION. THAT

BELONGING TO ZAIRIAN CADRE AT \$2.5 MILLION AND THAT

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PAGE 01 LUBUMB 00791 02 OF 02 051006Z
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C O N F I D E N T I A L SECTION 2 OF 2 LUBUMBASHI 0791

BELONGING TO CONTACT EMPLOYEES ON THE P-2 PROGRAM AT
\$.6 MILLION. GCM ESTIMATED THAT AVERAGE EXPATRIATE
AND AVERAGE ZAIRIAN CADRE WHO LOST EVERYTHING SUFFERED
LOSSES VALUED AT \$19,920 AND \$8,670 RESPECTIVELY SINCE
PILLAGING WAS NOT TOTAL IN ALL AREAS, GCM ESTIMATED
THAT AVERAGE LOSS FOR EXPATRIATE WAS \$16,686 AND
FOR ZAIRIAN CADRE WAS \$3.631

5. LOSSES TO OTHER INDUSTRIAL, COMMERCIAL AND PRIVATE
PROPERTY WERE MUCH MORE DIFFICULT TO ESTIMATE. GCM
SUMMARY REPORT ESTIMATED THESE LOSSES AT \$16.7 MILLION
ANALYSIS AS FOLLOWS

A. DESTRUCTION TO COMMERCIAL BUILDINGS, INDUSTRIAL
PLANTS, SCHOOLS AND PRIVATE RESIDENCES WAS ESTIMATED AT
\$6.1 MILLION. DAMAGE CONSISTED OF ROCKET OR MORTAR
HITS AGAINST SOME BUILDINGS AND BULLET HOLES, BROKEN
WINDOWS AND DESTROYED GRILLWORK OF MANY OF THE EST

B) LOSSES FROM LOOTING OF STORES AND FACTORIES
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PAGE 02 LUBUMB 00791 02 OF 02 051006Z

WERE ESTIMATED AT \$10.6 MILLION, OF WHICH \$5.8 MILLION FROM COMMERCIAL PROPERTY AND \$4.8 MILLION FROM INDUSTRIAL PROPERTY.

C) ALTHOUGH SUMMARY REPORTS OMITTS ESTIMATE OF PERSONAL PROPERTY LOST BY NON-GCM RESIDENTS OF KOLWEZI EVALUATION TEAM MADE SUCH AN ESTIMATE WHICH APPEARED IN ANOTHER SECTION OF THE REPORT. GCM TEAM ESTIMATED THAT LOSSES OF FURNISHINGS, EQUIPMENT SUPPLIES AND PERSONAL POSSESSIONS SUFFERED BY OWNERS OF STORES AND FACTORIES SCHOOL AND OTHER KOLWEZI RESIDENTS WERE VALUED AT \$3.9 MILLION.

D) REPORT ALSO NOTED THAT AT WASSELA THE COMMUNITY ALONG THE LAKE OUTSIDE KOLWEZI WHERE MANY RESIDENTS HAD VACATION HOMES 400 HOUSES WERE TOTALLY LOOTED AND 300 BOATS WERE DESTROYED. REPORT DID NOT GIVE AN ESTIMATE OF VALUE OF THIS LOSS. GCM STAFF HAS NOTED THAT NEITHER FLNC NOR FAZ WAS ACTIVE IN THE AREA NEAR THE LAKE. ALL PILLAGING IS THOUGHT TO HAVE BEEN CONDUCTED BY ZAIRIAN RESIDENTS OF NEARBY VILLAGES.

6. COMMENT: NEAR TOTAL ABSENCE OF DAMAGE TO GCM INSTALLATIONS PROVIDES EVIDENCE THAT FLNC DID NOT INTEND SABOTAGE OF ZAIRE'S MOST PROFITABLE COMPANY. ANNEXES TO REPORT NOTE THAT ACCIDENTAL DAMAGES WERE HELD TO A MINIMUM BY EXPATRIATE AND ZAIRIAN EMPLOYEES WHO STAYED ON THE JOB DURING THE ATTACK OR TURNED OFF EQUIPMENT IN GRADUAL MANNER. GREATEST PORTION OF LOSSES RESULTED FROM LOOTING TO EXPROPRIATION OF GOODS. EITHER BY INVADERS OR FAZ. REPORT NOTED LOSSES OF GCM VEHICLES (\$5.2 MILLION) GCM TOOLS AND EQUIPMENT (\$1.8 MILLION) GCM OWNED FURNISHINGS (\$6.5 MILLION) PERSONAL PROPERTY

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PAGE 03 LUBUMB 00791 02 OF 02 051006Z

OF GCM EMPLOYEES (\$10.8 MILLION) AND COMMERCIAL AND INDUSTRIAL GOODS (\$10.6 MILLION) TOTALLED \$34.9 MILLION OR 61 PERCENT OF ALL LOSSES. IN ADDITION SIGNIFICANT PORTION OF DAMAGE TO HOMES, STORES AND OTHER FACTORIES WERE BULLET HOLES IN FACADE AND BROKEN WINDOWS AND GRILLWORK CAUSED BY LOOTING ACTIVITIES.

7. REPORT WHICH WAS PREPARED IN GREAT RUSH NOTES DIFFICULTY IN ACQUIRING DETAILED INFORMATION. IN PARTICULAR THE ANNEX WHICH DESCRIBED THE DAMAGE TO RESIDENCES AND PERSONAL PROPERTY IS CONSIDERED INCOMPLETE AND ONLY REPRESENTATIVE OF A GENERAL VIEW. TO PREPARE REPORT SURVEY TEAM DIVIDED TOWN OF KOLWEZI

INTO SECTIONS, ESTIMATED GENERAL DAMAGE IN SAMPLING OF BUILDINGS AND MADE PROJECTIONS FOR ENTIRE AREA. INSOME CASES THE ESTIMATES SEEM VERY HIGH, BUT OTHER HEAVILY DAMAGED AREAS ARE OMITTED. THE TEAM HAD VERY LITTLE INFORMATION ABOUT THE VALUE OF GOODS IN TORES AND EQUIPMENT AT OTHER FACTORIES. MOST STRIKING OMISSION IS THE IMPALA MOTEL, THE SCHNE OF MUCH ACTIVITY THROUGH OUT THE WAR, WHOSE OWNER ESTIMATES HIS LOSS AT ONE MILLION ZAIRES(\$1.2 MILLION) THE REPORT ALSO OMITTS MENTION OF DAMAGE OR LOSSES IN THE CITES SURROUNDING KOLWEZI. WHILE LESS EXTENSIVE THAN IN THE TOWN MANY HOUSES IN THESE AREAS WRE SHOT UP AND PEOPLE DEPRIVED OF THEIR POSSESSIONS, MORE EXACT REPORT OF DAMAGE MAY BE FORTHICOMING IN FUTURE WEEKS, BUT OVERALL TOTAL WILL PROBABLY NOT BE GREATLY DIFFERENT FROM THIS FIRST ESTIMATE.

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